VII. PRIOR AUTHORIZATION LETTERS

Prior Authorization (PA) letters will be sent to the requesting provider and to the member informing them of review decisions. Initial approval, denial, and modification decision letters are automatically generated from the Indiana*AIM* system. The PA reviewer enters into the external text citations from the Indiana Administrative Code, and any necessary comments explaining the review decision. This text should be proofread by the reviewer prior to printing. Appropriate dictionaries should be referenced if there is any doubt as to the correct spelling of any text. Supervisors will periodically check external text to ensure accuracy.

Letters to be sent to providers and members will be developed in accordance with the policy and procedure for the development of letters. Letters will be clear, concise, accurate, and free of spelling and typographical errors. They will clearly state any appeal rights to which the member is entitled. Form letters will be approved by the OMPP prior to their adoption and use.

Letters pertaining to Surveillance and Utilization Review cases, and Prior Authorization administrative reviews and Administrative Law Judge hearings will be proofread by three parties prior to being mailed. These letters are "form letters" into which individualized text will be inserted. Refer to the exhibits following this section for examples of letters.

A. Letters will be adopted under the oversight of the PA Director.

1. Any staff member who identifies the need for a new or revised letter may propose letters.

2. The person who identifies the need will notify the PA Director, in writing, of the type of letter, the reason for the need, and any suggestions or revisions. A copy of this communication should also be sent to the director of the involved department.

3. The PA Director and the appropriate department director will conduct an evaluation to determine whether a new letter is required. This will be accomplished within five business days of receipt of the request.

4. If it is determined that the letter is not needed, the PA Director will notify the requesting party of the rationale for not developing a new letter.

5. If it is determined that a new letter is needed, the PA Director (or designee) will draft a letter.

    - ♦ For revised letters the draft of the current letter should have revisions clearly indicated.

- Instructions for completing any blanks in the letter should be included with the draft copy.

6. Factors to consider in the development of the letter include the following:

   - citation of rules and regulations;
   - readability;
   - the audience for whom it is intended;
   - appeal rights; and
   - a contact person for questions.

7. The draft letter will be labeled with its indications for usage, and will be routed for comment to the members of the Operations Assessment Committee. The "Letter Approval Form" will accompany the letter.

8. Recommendations for changes can be made on the letter and/or on the "Letter Approval Form."

9. The completed form should be returned to the Director of Education within 10 business days of routing.

10. The PA Director will seek to resolve all areas of concern raised by staff prior to finalizing the letter. If substantive or conflicting changes are suggested, the changes will be incorporated and a second draft will be routed.

11. If the changes suggested are not substantive, or subsequent to the routing of the second draft, the changes will be incorporated into the letter, and the letter will be forwarded to the Health Care Excel Central Point of Contact.

12. Whenever appropriate, HCE will coordinate with EDS on new or revised letters.

13. The Central Point of Contact will forward the letter to the Office of Medicaid Policy and Planning for approval.

14. If the OMPP suggests changes, the PA Director will incorporate these into the letter.

15. Upon receipt of approval from the State, the Program Director will authorize that the letter be adopted for use.

16. Correspondence secretaries and appropriate staff will be notified of the existence and appropriate use of the new letter. This training will occur through staff meetings, routing of the letter with an explanation, or a more formal session, depending upon the complexity of the use of the letter.

17. The letter will be placed in the Letters Manual and the appropriate department manual, and will be available electronically.

18. In the event that a staff member identifies a need to delete an obsolete letter, the person will prepare a written memorandum to the PA Director. The letter should be specifically identified, and the rationale for the proposed deletion should be included in the memorandum.

VIII. QUALITY MANAGEMENT

The primary objective of Health Care Excel (HCE) will be to administer the Medical Policy and Review Services program in a manner that promotes the timely delivery of appropriate services, supports the objectives and guiding principles of the Indiana Health Coverage Program (IHCP) program, and promotes efficiency and effectiveness throughout the program. HCE will train its staff sufficiently to meet these objectives, and will measure the performance in order to ensure that the objectives are met. The Quality/Training Plan delineates the components of performance and the standards.

A. Training of Prior Authorization Staff

Prior Authorization department staff will be trained in accordance with the guidelines set forth in the Quality/Training Plan. Because the Prior Authorization department is a "front line" area, it is imperative that its employees are well trained and ready to meet the challenges and opportunities which will be presented to them. Employees will be provided with a wide variety of issues, accompanied by examples and practice sessions.

Training will be accomplished through several forums. These will include formal training sessions, training accomplished during staff meetings, and routing and posting of educational materials.

Knowledge will be assessed through the use of pre- and post-training knowledge assessments, return demonstrations, and observation of daily work, among others.

Initial training will consist of elements for which a basic understanding is required for successful implementation of the IHCP Policy and Review Services contract. These elements include training in:

- HCE policies and procedures;
- operation of equipment;
- safety;
- security;
- Quality Management and Performance Standards;
- overview of Indiana Health Coverage Programs;
- partners in the program;
- providers and member constituency groups;
- duties of other contractors;
- overview of Medical Policy and Review Services;
- overview of the Medical Policy department;

- overview of the Surveillance and Utilization Review department;
- overview of the Prior Authorization department;
- customer service attitude;
- telephone etiquette;
- use of software, including Windows 2000;
- Confidentiality Plan;
- program integrity (fraud and abuse);
- the medical record tracking system;
- principles of Continuous Quality Improvement;
- HIPAA overview; and
- HIPAA Privacy Policies.

In addition to the above-mentioned general training goals, training for prior authorization will include these objectives.

- Employees will know the State's prior authorization requirements.
- Reviewers will have a thorough knowledge of the use of medical criteria, why criteria are used, intended uses of criteria, and the mechanics of using criteria, and will utilize the criteria correctly.
- PA reviewers and specialists will know how to approve a case.
- Employees will implement all HIPAA Privacy requirements into their daily business functions**.**
- PA reviewers and specialists will know what to do if a case does not "meet criteria."
- Employees will be able to use the telephone equipment proficiently, including transferring calls, placing callers on hold (if absolutely necessary), etc.
- Employees will have a thorough knowledge of the department's policies and procedures.
- Support staff will appropriately perform mail processing and other related activities.
- Employees will identify the appropriate forms, and utilize them correctly.
- Reviewers and specialists will have a working knowledge of applicable components of Indiana*AIM*.

- Reviewers, specialists, and support staff will have a thorough working knowledge of the data system and will be proficient in data entry.
- The director and supervisors will be proficient in the use of Excel, in addition to Windows and Word, and other applicable software.
- Employees will have relevant knowledge of reporting requirements.
- Appropriate employees will have relevant knowledge about the Indiana Administrative Code as it pertains to Indiana Health Coverage Programs.
- Reviewers and specialists will have knowledge of the hearings and appeals process.
- Employees will be trained in the subsystems for tracking and recording documents and issues.

B. Plan for Remedial Training

Every effort will be made to assist employees to succeed. Remedial training will be available for employees who are at risk of failure.

Knowledge assessments will be administered to establish indicators of adequate understanding to conduct duties. A minimum score of ninety-five percent (95%) will be required to continue to perform without remedial education. Remedial education will be individualized to best match the person's needs.

In the event that a significant deficiency has been identified, that is beyond the acceptable range of performance, and has not been able to be resolved; a Performance Improvement Plan (PIP) will be developed and implemented. The department director will develop and submit a PIP. In the communiqué requesting the PIP, these features will be incorporated.

- How and when the deficiency was identified.
- How the deficiency adversely affects the contract performance.
- A statement that the PIP needs to meet the needs of the department while addressing the problem.
- A statement that the PIP must be submitted to the Program Director within 10 calendar days.
- An offer to assist in the development of the PIP.

The process for corrective action has been delineated in the Quality Management Plan.

C. Training of Consultants

Physicians and other consultants will receive training pertinent to their business function duties. In addition to business-function-specific education, all consultants will receive an orientation to HCE and to the Indiana Health Coverage Programs. A reference manual will be created, and will be available for their use. This manual will provide an overview of the program, the stakeholders, and a discussion for each of Medical Policy, Prior Authorization, and Surveillance and Utilization Review.

The comprehensive approach to program education will facilitate the provision of individual services across the business functions. Particular attention will be given to issues associated with program integrity (fraud and abuse). Where statistical techniques are important, an explanation will be provided and supported through the use of an experienced program reviewer. All training will be conducted prior to the initiation of services.

Independent consultants and reviewers will be subject to standards of professional performance. The Medical Director will have an important role in the training, monitoring, and feedback associated with these consultants. Performance will be evaluated through random or focused reviews conducted under the direction of the Medical Director. Individuals who establish and maintain a poor performance will no longer be used in the program.

D. Performance Management

It is understood that each person employed by Health Care Excel, to fulfill this contractual obligation, possesses a personal and professional interest in ensuring that the administration of the Medical Policy and Review Services contract is successful, innovative and rewarding. It is imperative that each employee understands and respects the contract requirements and feels an obligation to assist in the improvement of processes used to administer the contract. Health Care Excel is receptive to suggestions for the enhancement of current functions, the betterment of written policies and criteria, and the upgrading of the overall effectiveness of the Medical Policy and Review Services program.

To ensure the contract obligations are met efficiently and timely, the internal Quality Management Plan will provide the framework that monitors internal process performance and provides information to:

- support and foster continuous quality improvement;
- develop and implement processes that ensure all activities run efficiently, comply with the contract, and are consistent with IHCP goals and objectives;

- maintain activities within a permissible range of deviation with minimum effort;
- improve the reliability, accuracy, consistency, and timeliness of data and information; and
- promote the IHCP program through the provision of credible services.

For each business function, the monitoring plan establishes a control process which meets the following objectives.

- Identifies what is subject to control and the elements measured through monitoring the organization's and individual's performances; monitoring the specific inputs, processes, and/or outcomes; and recognizing the most vital elements that account for most of the variations in performance.
- Sets the control standards (including tolerance limits) through the use of measures that permit a determination if performance is acceptable and if the quality and quantity of the output are adequate to support organizational and program objectives.
- Identifies the information to be collected and how performance will be measured (e.g., what is being done and what should be done).
- Determines the reason for deviations, through an assessment of the causes of any deviations from the standards.
- Provides appropriate and timely feedback on performance.
- Identifies and monitors improvement actions, through decisions on the best course of action for eliminating deviations or for exceeding current performance.

Health Care Excel will monitor review staff for appropriateness of decisions, timeliness of review, and accuracy of data entry. These monitoring activities will be the responsibility of the PA Supervisors, under the direction of the PA Director.

IX. PERFORMANCE MEASUREMENT

The primary objectives of HCE are to administer the Medical Policy and Review Services Program in a manner that promotes the timely delivery of appropriate services, supports the objectives and guiding principles of the IHCP program, and promotes efficiency and effectiveness throughout the program.

It is imperative that each employee understands and respects the contract requirements and feels an obligation to assist in the improvement of processes used to administer the contract. HCE is receptive to suggestions for the enhancement of current functions.

A. Departmental Internal Quality Control

To ensure the contract obligations are met efficiently and timely, an internal Quality Management Plan will provide the framework that monitors internal process performance and provides information to:

- support and foster continuous quality improvement;
- develop and implement processes that ensure all activities run efficiently, comply with the contract, and are consistent with IHCP goals and objectives;
- maintain activities within a permissible range of deviation with minimum effort;
- improve the reliability, accuracy, consistency, and timeliness of data and information; and
- promote the IHCP program through the provision of credible services.

For each business function, the monitoring plan establishes a control process, which meets the following objectives.

- Identifies what is subject to control and the elements measured through monitoring organization and individual performances, specific inputs, processes, and/or outcomes, and recognition of the most vital elements that account for variations in performance.
- Sets control standards (including tolerance limits) through the use of measures that permit a determination if performance is acceptable and if the quality and quantity of the output are adequate to support organizational and program objectives.

- Identifies the information to be collected and how performance will be measured (i.e., what is being done and what should be done).
- Determines the reason for variations, through an assessment of the causes of deviation from the standard.
- Provides appropriate and timely feedback on performance.
- Identifies and monitors improvement actions through decisions on the best course of action for eliminating deviations or for exceeding current performance.
- On a monthly basis, the PA supervisor will audit four cases per PA staff. The audit process will measure all PA requirements, and customer service. All scores must be at 95% or higher. If not, remedial training will take place.

Performance indicators will be based on measurements associated with numerical ratings (volume, timeliness, number of complaints about performance, etc.) as well as feedback from more subjective factors (opinions about performance from surveys, State officials, other contractors and partners, providers, beneficiaries, and other sources). Monthly department performance reports will be submitted to the Program Director and other members of the Operations Assessment Committee. For each standard, the variance (exception) will be accompanied by comments explaining the cause and action, if any needed to address the variance.

In addition to departmental performance indicators, HCE's internal quality control plan for review staff in the SUR and PA departments is designed to provide an objective, consistent and accurate method of assessing and improving performance of individual reviewers. The plan involves sampling four cases per reviewer on a monthly basis; re-review of those cases by supervisors using a standardized rating form; entry of re-review results into a database or analysis; and an intervention plan for individuals whose performance is unacceptable under the direction of the PA Director.

The following table depicts individual performance standards.

TABLE IX-1
DEPARTMENT INTERNAL QUALITY CONTROL

Measurement	Standard	Method of Reporting
Error-free letters	100%	Quarterly IQC Report
Appropriate use of criteria	95% or greater	Quarterly IQC Report
Accurate data entry	95% or greater	Quarterly IQC Report
Appropriate review decisions	95% or greater	Quarterly IQC Report
Demonstration of positive customer service attitude (no complaints)	95% or greater	Quarterly IQC Report
Timely data entry (within two days of receipt)	95% or greater	Quarterly IQC Report

In the event that a significant deficiency is identified that is beyond the acceptable range of performance and has not been able to be resolved, a performance improvement plan (PIP) will be developed and implemented. The department director will develop and submit a PIP.

B. Business Function Performance Standards

In addition to the individual internal quality control elements, each department has responsibility for business function standards. They have been listed below with a short description of how the performance of the function will be measured and the standard to which the measure will be compared along with the method of securing the information. Some measures are not department specific, e.g., annual business plan or annual customer service plan. These are measured broadly to ensure a global perspective to quality management. The knowledge that one department functioned correctly is not sufficient if the global outcome is inadequate.

It is the responsibility of each department Director to maintain a database of the standards and measurements listed in **Table IX-2**. Reports are submitted to the Program Director five working days following the end of the reporting period.

TABLE IX-2
STANDARDS AND MEASURES

Prior Authorization			
Business Function	**Measurement**	**Standard**	**Outcome**
Maintenance of required staffing levels and types	The number of actual required staff days, by type in each month will be divided by the required staff days each month.	95% or above	HR quarterly staff report
Maintenance of staff competency	Average test scores for the quarter.	95% or above	IQC dept. report
Creation and maintenance of PA work plan	Plan and updates submitted to the State timely.	98%	QM quarterly report
Adequacy and accuracy of PA deliverables subject to State review and approval	Number of approved PA deliverables submitted to the State timely divided by the number of deliverables due.	98%	QM quarterly report
Production of required PA reports on required production cycles	Number of reports produced timely in the month of submission by the number of PA reports scheduled for the month.	95% or above	QM monthly report
Responsiveness within three business days to State inquiries	Number of non-State inquiries answered within three business days divided by the number of State requests made.	95% or above	QM quarterly report
Responsiveness within 10 business days to other inquiries	Number of non-State inquiries answered within 10 business days divided by the number of non-State requests made.	95% or above	QM quarterly report
Contributions to annual business plan	Approved elements submitted to the State timely.	98%	QM report
Contributions to annual customer service plan	Approved elements submitted to the State timely.	98%	QM report
Adequacy of PA criteria	The number of cases referred out of the first level of review because of inadequacy of criteria divided by the number of cases reviewed.	20% or less	QM quarterly report

TABLE IX-2 (Continued)

Business Function	Measurement	Standard	Outcome
Timeliness of telephone services	The number of calls answered within two minutes divided by the number of calls.	95% or greater	ACD report
Adequacy and timeliness of entry into Indiana*AIM*	Number of PA requests entered into the Indiana*AIM* PA system on-line within two business days of receipt divided by the number of PA requests received.	95% or greater	QM monthly report
Adequacy and timeliness of entry into Indiana*AIM*	Number of PA requests entered into the Indiana*AIM* PA system on-line within seven business days of receipt divided by the number of PA requests received.	100%	QM quarterly report
Avoidance of management of backlogs	Current work in progress minus average work in progress divided by average work in progress.	30% or less	QM quarterly report
Adequacy of PA decisions	Number of PA cases monitored and found to be correct divided by the number of PA cases monitored.	95% or above	IQC report
Timeliness of case dispositions (within 10 business days of receipt)	Number of PA requests completed within ten (10) business days of receipt divided by the number of PA requests received.	95% or above	QM quarterly report
Availability to participate in appeals, hearings	Number of times appropriate person participates in an appeal or hearing divided by the number of request for appearance.	98% or above	QM quarterly report

X. CONFIDENTIALITY

All employees, consultants, and reviewers are subject to confidentiality standards and guidelines at Health Care Excel. Implementation of the Privacy Act under the Health Insurance Portability and Accountability Act (HIPAA) adds to the confidentiality requirements necessary for the Prior Authorization department. Under the provisions of covered entities, the Prior Authorization department is an extension to the Indiana Health Coverage Programs and must adhere to the additional requirements of the Privacy Act.

The Prior Authorization department frequently handles and accesses confidential and protected health information material. The Prior Authorization department implements several measures, which in combination, provide for the security of the confidential material. (Additional security and confidentiality is outlined in the Facility and Security Plan.)

- All employees, consultants, and reviewers will be subject to the provisions of the Indiana Medical Policy and Review Services (IMPRS) Privacy Manual. After receiving education in confidentiality, each employee will be requested to initially sign, and re-affirm on an annual basis, his or her understanding and compliance with the confidentiality requirements.
- The departmental entrances are labeled with restricted access. No unauthorized person is permitted beyond the restricted access areas without supervision from a Health Care Excel employee. All visitors and/or guests are required to sign-in on an attendance roster located in the lobby. All visitors and guests must be accompanied by an authorized Health Care Excel employee at all times when in the restricted areas.
- All employees must have a name badge visible to identify themselves as Health Care Excel employees.
- The Prior Authorization department accesses and maintains confidential material. Usernames and passwords are required to access this material. No employee is permitted to share his or her username or password with anyone else. Unattended computer terminals are to be secured from unauthorized access into the system.
- The Prior Authorization department must access the Indiana*AIM* database, maintained by EDS, to process prior authorization requests for medical review. Additional usernames and passwords are used to access this system. Passwords are changed every 30 days and/or as needed. No employee is permitted to share his or her username or password with anyone else.

- The Prior Authorization department frequently maintains and handles confidential paperwork that can include faxes and copies of protected health information. All fax machines will be located in an enclosed area and checked for incoming faxes every 15 minutes. The PA requests are then placed in folders to maintain privacy and confidentiality. All confidential material will be maintained within the restricted or secured areas of Health Care Excel. Confidential material must always be concealed from plain view. Locked, confidential bins are available in each department for disposal and shredding of confidential paperwork and material. All confidential material should be placed in these labeled bins for proper disposal of protected health information. At no time should protected health information or confidential material be disposed of in regular trash bins.

  All breaches of confidentiality are to be reported to the Director of Prior Authorization, the Program Director, or alternative Director. Additional information regarding confidentiality and security is outlined in the Facilities and Security Plan, Quality Management Plan, the Peer Review and Consultant handbook, and IMPRS Privacy Manual.

XI. HIPAA GUIDELINES FOR PRIOR AUTHORIZATION OPERATIONS

The HIPAA *Privacy Rule* requires the Indiana Health Coverage Programs (IHCP), as a health plan, to provide protection and security to a member's protected health information (PHI) that is transmitted or maintained in any form, including oral communication. A member's PHI includes the demographic information, RID number, claim information and documentation to support reimbursement of a claim. For a complete definition of *protected health information*, refer to the Indiana Medical Policy and Review Services (IMPRS) Privacy Manual. The policies and procedures contained within this manual will guide the HCE staff member in determining the steps to take when asked to provide a member's PHI to the member, the member's personal representative, or to another external agency or entity requesting the information.

If a member calls the PA department requesting information regarding an existing PA, the reviewer will verify the members, name, address, RID number and social security number or members birth date. In all cases of a member requesting access to PHI, the HCE employee will not provide member PHI, but will refer the request to the IHCP Privacy Unit. The Privacy Unit has been established to act as the gatekeeper of member PHI, and all requests, with very few exceptions, must be routed through the unit.

The *Privacy Rule* also requires each staff member to be aware of the PHI that they use in their daily work activities. Not only must the staff member protect the member's information in regard to requests, but also in their work functions and environment. These requirements are known as the administrative, technical, and physical safeguards. These safeguards include the access of a member's PHI, the copying and faxing of PHI, and the proper disposal of PHI documents.

The following table explains the PA privacy procedures.

TABLE XI-1

PRIOR AUTHORIZATION DEPARTMENT

Policy Requirement	Responsible Position(s)	Procedure/Methodology
Education		
New Employee Education	PA Supervisor	All new PA employees will be trained on PA privacy policies and computer based Web training as part of the department orientation. The employee will be presented with a computer certificate of successful completion of the Web based training.
Ongoing Education	PA Supervisor/department Director	Employees will attend privacy training as needed due to changes in the Privacy Rule.
Tracking of Education	PA Supervisor/department Director	The PA Director will track all PA privacy training in the PHI database.
Responses to Inquires for PHI		
Referrals to the IHCP Privacy Office	PA Supervisor/Director	All requests for PHI received by the PA department will be forwarded to the IHCP Privacy Office first for verification. Once the release is approved by the IHCP Privacy Office, PA will respond to the inquiry.
Responses to Legislative Inquires	PA Supervisor/Director	All PA Legislative Inquires regarding PHI will not be responded to until the signed written authorization release from the member is received.
Departmental Designated Record Set	PA Supervisor/Director	PA department designated record set consists of any information used to support a PA decision about a member request. • Paper PA form including Medical Clearance Forms. • Screen prints of any PA Indiana*AIM* windows used to support a PA decision. • Medical records used by the IHCP to make decisions about the member's PA request, such as patient notes or any attachments are considered part of the designated record set.

TABLE XI-1 (Continued)

Policy Requirement	Responsible Position(s)	Procedure/Methodology
Communication of PHI		
Paper Communication	All staff	All paper PA requests are received via sealed envelope and will be protected in a cover folder to prevent any inadvertent disclosure of PHI to an unauthorized individual.
Fax Communication	All staff	All fax cover sheets will contain the HCE privacy tag; all PHI information will have a cover letter with it. All fax machines will be located in an out of sight area and checked by PA staff every 15 minutes and distributed to the appropriate personnel. All PA faxes are received face down so PHI is not exposed.
Oral Communication	All staff	All oral communication can be discussed between PA reviewers and other IMPRS staff members as necessary to complete their daily work functions. PHI verbal exchange can occur between the covered entity and its business associates. Member identity will be verified via data match which includes member name, RID, address, and date of birth or social security number, in Indiana*AIM* during any PA telephone inquiry.
E-mail Communication	All staff	All PA e-mails will contain the IMPRS privacy tag and will be monitored and used only as necessary to complete requested work functions.

TABLE XI-1 (Continued)

Policy Requirement	Responsible Position(s)	Procedure/Methodology
Computer Access		
Quarterly Indiana*AIM* Profile Reviews	PA Supervisor/Director	All PA Indiana*AIM* Profiles will be reviewed on a quarterly basis and updated as needed allowing only the minimum necessary use of PHI in order to carry out their job duties.
Quarterly CRLD Profile Reviews	Director	CRLD Profiles will be reviewed on a quarterly basis and updated as needed allowing only the minimum necessary use of PHI in order to carry out their job duties.
Quarterly Business Objects Profile Reviews	PA Supervisor/Director	Business Object Profiles will be reviewed on a quarterly basis and updated as needed allowing only the minimum necessary use of PHI in order to carry out their job duties.
CPU Password Protection	PA Supervisor/Director	All PA computers will have a password protection installed and will be set to lock after five minutes of non-use.
Department Physical Safeguards		
Department Visitors	All staff	All visitors to the PA unit will check in at the HCE receptionist desk. A visitor tag will be issued and a HCE employee will accompany them at all times.
Fax Machine Access	All staff	All PHI information via fax, printer and copier are kept out of sight and are monitored by PA staff during working hours.
Printer Access	All staff	All PHI information via fax, printer and copier are kept out of sight and are monitored by PA staff during working hours.
Copier Access	All staff	All PHI information via fax, printer and copier are kept out of sight and are monitored by PA staff during working hours.
Printed PHI	All staff	All PHI information that is printed will be retrieved at the time of printing.
PHI to be Shredded	All staff	All PHI that needs to be disposed of will be placed in the locked shredder bins located within the PA department.
Receipt of Incoming Mail Containing PHI	All staff	All incoming mail that contains PHI will be immediately placed in a covered folder or container.

TABLE XI-1 (Continued)

Policy Requirement	Responsible Position(s)	Procedure/Methodology
Forwarding of Outgoing Mail Containing PHI	All staff	All outgoing mail that contains PHI will be stamped confidential prior to leaving the PA department.
Department Closing Procedures	PA Supervisor	No unattended PHI will be left out in the open. All file cabinets will be closed at the end of business day. All paper, fax, copy machines, and desks will not have PHI left visible. It is the responsibility of the closing supervisor to do a walk through to ensure that no PHI is left in visible sight.
PHI at Off-Site Work Sites	All staff	PHI at off-site work sites will be maintained in the trunk of a vehicle. PHI is not to be shared with family members, friends or others. PHI must not be copied to a staff member's home computer, nor may it be e-mailed to a home computer. The staff member's direct supervisor will approve all work that is to be taken home.
Sanctions		
Identification of Violations	All staff	All violations will be reported to the Department Director immediately upon identifying or suspecting a violation of the Privacy Rule on the HCE specified form.
Investigating Violations	Director	The Department Director will conduct an investigation to determine if an actual violation of the Privacy Rule occurred.
Recommendations of Necessary Sanctions	Program Director/Director	The Program Director will make any recommendations to the Department Director about the type of sanction an employee should receive based on the specific violation of the Privacy Rule. Sanctions will be implemented by the Department Director in conjunction with the Program Director.

A. Paper Communication

Hard copy documents containing PHI must be protected from inadvertent or inappropriate disclosure. HCE staff who are not required to use PHI in their work functions are prohibited from PHI access, unless prior approval has been received from their direct supervisor. Each PA staff member must practice appropriate safeguards to prevent unwarranted disclosure to non-PA department HCE staff members.

No unattended PHI is to be left on the top of filing cabinets, on the floor, or in an unattended cubicle. All PHI is to be maintained in file folders that will help prevent inadvertent access to someone walking through the area. The PHI can be maintained in the cubicle overhead rack or on the desk of a staff member as long as the PHI is not visible.

PHI is to be placed in a locked shred bin for destruction. No PHI is to be thrown in the open trash receptacle or in an open shred box. At the end of the workday, the work area must be reviewed to determine if any open and accessible PHI is visible to an unauthorized user. All PHI is to be maintained in file folders, binders, in cubicle overheads, or out of view. The chance of incidental disclosure must be kept to a minimum in order to meet HIPAA Privacy requirements.

B. Fax Communication

A cover sheet containing the following statement must accompany all fax communication containing PHI, to any entity outside of HCE:

> *This facsimile transmission (and attachments) contains protected health information (PHI) from HCE, which is intended only for the use of the individual or entity named in this transmission sheet. Any unintended recipient is hereby notified that the information is privileged and confidential, and any use, disclosure, or reproduction of this information is prohibited. Any unintended recipient should contact HCE by telephone at 317-347-4500 immediately so that the transmission can be retrieved.*

Fax documents containing PHI must be protected from inadvertent or inappropriate disclosure. HCE staff who are not required to use PHI in their work functions are prohibited from PHI access, unless prior approval has been received from their direct supervisor. Each PA staff member must practice appropriate safeguards to prevent unwarranted disclosure to non-PA department HCE staff members.

All fax machines must be located in an attended area, eliminating the inadvertent disclosure of member PHI to an unintended recipient of the information. Information requested by fax will be retrieved from the fax machine immediately by the intended recipient or will be delivered to the recipient by an authorized staff member. If a staff member is faxing information to an authorized recipient of the PHI, the fax machine is not to be left unattended during the faxing. The staff member should also confirm the fax number of the recipient prior to sending the fax.

The PA staff members will retrieve printed PHI from the printer or copier at the time of printing. No member PHI, including an original document for copying, is to be left at the printer or copier.

C. Oral Communication

PA department staff members can discuss member PHI with other IMPRS staff members, the OMPP staff, and other IHCP contractor staff as necessary to complete their daily work functions. Such sharing of PHI must not occur with HCE staff members who are not employed by, or performing work on behalf of, the IMPRS contract. HCE staff members can share PHI with business associates who are contracted with HCE to perform a business function on behalf of HCE in the completion of IHCP related work. PHI must not be discussed outside of the HCE designated workspace unless in discussion with OMPP staff members, other IHCP contractors, or in response to OMPP approved activities.

D. E-mail Communication

Until all HIPAA Security Rule provisions are implemented, senders must monitor their e-mail communication of PHI and ensure that PHI is used only as necessary to complete required work functions. When appropriate, other alternative methods for PHI communication should be used. All e-mail communication will include a confidentiality disclosure statement that automatically populates the signature field of any e-mail generated. The confidentiality disclosure will include the following statement:

> *This message (and attachments) may contain protected health information from Health Care Excel (HCE), and is covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521. This information is intended only for the use of the individual or entity named in this e-mail. Any unintended recipient is hereby notified that the information is privileged and confidential. Any use, disclosure, or reproduction of this information is prohibited. Any unintended recipient should contact HCE by telephone at (317) 347-4500 or by e-mail immediately and delete the original message.*

It is the responsibility of all IHCP staff and contractor staff to reasonably protect all members PHI from inappropriate use or disclosure. All IHCP member PHI in written, electronic, or oral form is protected by the *Privacy Rule* and must be safeguarded in the work place and in the daily job functions of all HCE staff members.

E. Computer Safeguards

HCE staff members must use the password protection function for their computer when left unattended. All computer systems will be set with a screen saver that initiates when the system is left unattended for five minutes. This screen saver will require a password to unlock.

All employee Indiana*AIM* profiles will be reviewed on a quarterly basis and updated as necessary by the PA Director.

F. Sanctions

Any unauthorized use or disclosure by a HCE staff member will be subject to the sanctions set forth by HCE for breach of security or privacy.

1. The HCE staff member must contact the PA Director immediately upon identifying or suspecting a violation of the *Privacy Rule.*

2. The PA Director will conduct an investigation to determine if an actual violation of the *Privacy Rule* occurred. If a violation has occurred, the Program Director will determine the severity of the violation and coordinate with the PA Director to determine what actions are to be taken as a result of the violation. The following factors will be taken into consideration when an employee has committed a violation of the *Privacy Rule.*

    - The severity of the violation – specifically what PHI information was used or disclosed.
    - Whether the violation was intentional or unintentional.
    - Whether the violation indicates a pattern or practice of improper use or disclosure of PHI.
    - Whether the employee received previous verbal or written warnings about violations of the *Privacy Rule.*

3. The Program Director will make a recommendation to the PA Director about the type of sanction an employee should receive based on the specific violation of the *Privacy Rule*. The recommendation will vary based on the severity of the violation. However, the recommendation could include the following:

    - Additional privacy training for the employee specific to the identified violation.
    - Verbal counseling.
    - Performance Improvement Plan.
    - Termination of Employment.

4. The PA Director and the Program Director will maintain written documentation about violations of the *Privacy Rule* for six years.

TABLE XI-2
Protected Health Information Requirements and Disclosures

Disclosure	Authorization Required	Tracking Required	Minimum Necessary
To a member	No	No	No
To a member's legal guardian or personal representative	No See notes [7] & [8]	No	No
To a member's health care provider (for treatment purposes)[1]	No	No	No
To a member's attorney	Yes	No	No
To member's legislative representative	Yes	No	No
To a deceased member's personal representative	No	No	No
For payment purposes (for the IHCP or the requesting covered entity)[1]	No	No	Yes
For health care operation purposes (for the IHCP or the requesting covered entity)[1]	No	No	Yes
Required by law	No	See Note[2]	Limited to the relevant requirements of the *Privacy Rule*
For public health activities	No	Yes	Limited to the relevant requirements of the *Privacy Rule*
For law enforcement purposes	No	Yes	Limited to the extent reasonable for the purpose sought
For health oversight activities	No	Yes[3]	Yes
For Worker's Compensation activities	No	Yes	Yes
To the Secretary of HHS	No	Yes	No
De-identified information	No	No	See Note[4]
Limited data set[5]	No	No	See Note[6]
By a whistleblower	No	No	No
By a workforce victim	No	No	Limited to the req. in 45 CFR 164.502(j)
Prior to April 14, 2003	N/A	No	No

Note [1]: The IHCP Privacy Unit must review ALL psychotherapy note disclosures. Psychotherapy notes can be disclosed without member authorization ONLY for the following specific treatment, payment, and health care operations:

- Use by the originator of the psychotherapy notes for treatment

- Use or disclosure by the IHCP to defend itself in a legal action or proceeding brought by the member
- A use or disclosure permitted with respect to the oversight of the health care provider originating the psychotherapy notes.

Note [2] : The IHCP Privacy Unit must review all disclosures for law enforcement purposes. The tracking requirement is dependent upon the member's status and the nature of the disclosure.

Note [3] : The tracking may be temporarily suspended when requested by the health oversight agency or official.

Note [4] : Individually identifiable information is removed before disclosure. The IHCP Privacy Office must review deidentified disclosures.

Note [5] : The IHCP Privacy Office must review all limited data set requests and disclosures. May only be used for research, public health, or health care operation purposes of covered entities.

Note [6] : Select direct identifiers are removed from information before disclosure.

Note [7]: Verify member name, address, RID number, and either the Social Security number or birth date. Verify all information to member information on Indiana*AIM*, and if possible, verify parental information in Indiana*AIM* if available (for example, if the mother has name and RID number under Recipient Mother RID window). Provide only limited information in response to a telephone inquiry including the following:

- Program eligibility information
- Coverage or benefit limitation information
- Basic billing information (for example, claim payment)

Do NOT provide diagnosis codes, procedure codes, or any specific information over the phone.

Note [8] : If the information does not match, the caller will be instructed to contact the IHCP Privacy Unit.

FIGURE XI-1

Process Flow for Written and Telephone Inquires

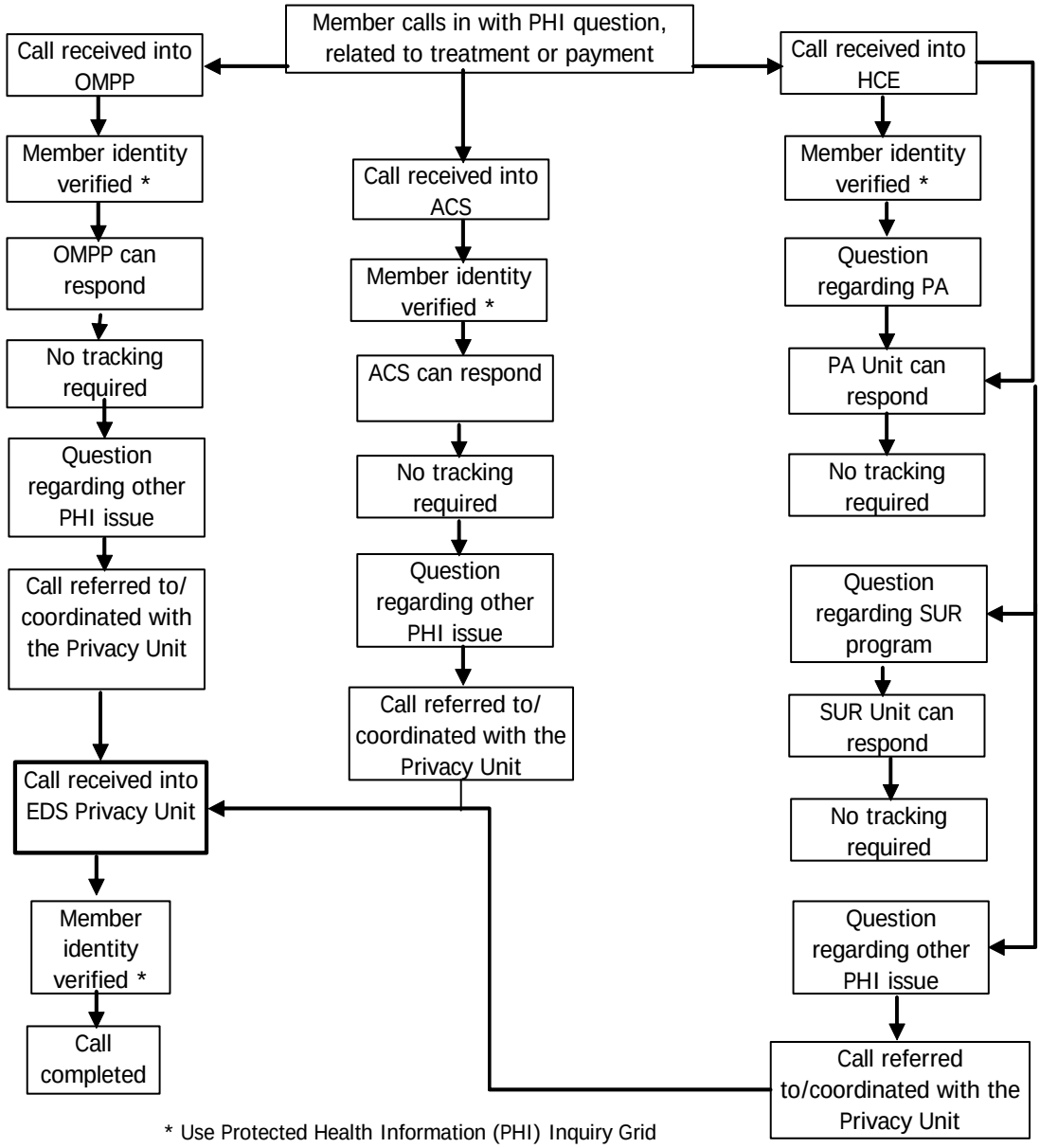

FIGURE XI-2

HCE HIPAA QUICK REFERENCE

Indiana Medical Policy and Review Services

QUICK HIPAA GUIDELINES

The Health Insurance Portability and Accountability Act (HIPAA) requires us to protect the privacy of health information for Medicaid members. Health information about a member is "Protected Health Information" (PHI).

We may use this information as necessary to do our jobs, as long as it is for Treatment, Payment or Operations (TPO). We may discuss PHI with a patient if we have verified their identity. We may work with our Business Associates, such as EDS, ACS, and OMPP.

Do not make any other use or disclosure without the express approval of a Department Director.

Be careful with oral, written, computer, and fax communications to protect the privacy of patients. There are legal penalties for violating HIPAA rules.

Contacts for HIPAA Privacy

EDS will be staffing a privacy office to handle member questions and requests related to HIPAA privacy. The following are examples of what will be handled by this office.

- General questions from members regarding HIPAA privacy.
- Requests for a copy of the Notice of Privacy Practices (NPP).
- Member requests for a copy of their Protected Health Information (PHI).
- Member requests to correct their PHI.
- Member complaints in regard to the handling of their PHI.
- Member requests for an accounting of whom has received their PHI.
- Member requests to restrict the use of their PHI.
- Member requests to receive their PHI or NPP in some alternative form.

If you have questions or concerns related to HIPAA privacy, please contact your Department Director.

Do not refer members to OMPP. Refer members who have questions or specific requests to:

IHCP Privacy Office
P.O. Box 7260
Indianapolis, IN 46207-7260
317-488-5018
1-800-457-4584

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